MARCH 15, 2006

LEGAL REFORM

Representative Don Brown (R-DeFuniak Springs) presented HB 145 Relating to Damage Apportionment during today's House session. Representative Brown proved once again what a good orator he was by masterfully explaining the legal history behind Florida's negligence system and showed how the current doctrine of joint and several liability is unfair and should be abolished. He explained that this is a simple bill that restores fairness and predictability to the legal system and ensures that no businesses or individuals should pay for the wrongdoings of another. This bill will create a most fundamentally fair system which equates responsibility for damages with fault. Representatives Jack Seiler (D-Pompano Beach) and Arthenia Joyner (D-Tampa) filed an amendment that Representative Brown described, as being very bad and hostile to the intent of his bill. The amendment would defeat the entire purpose of the bill and institute a so called "Fabre fix". That amendment failed by a vote of 38-77. Representatives Seiler and Joyner filed 2 other amendments which were withdrawn. One would remove all caps from medical malpractice cases and the other would remove immunities from negligence cases that currently exist in statute. Representative Kevin Ambler (R-Tampa) also filed a mandatory insurance rate rollback amendment but withdrew the amendment with no debate or discussion.

HB 145 is scheduled for final passage by the House of Representatives during its session tomorrow morning at 10:00 a.m. We appreciate the leadership of House Speaker Allan Bense (R-Panama City) and Representative Brown in guiding this important legislation through the House this early in the session. Please encourage other House members to vote for the bill on final passage tomorrow.

AIF supports legislation that would increase fairness and predictability in Florida's legal system. Significant legal reform must be achieved in Florida and the only way to achieve true reform is by abolishing the doctrine of joint and several liability.

GUNS IN THE WORKPLACE

The House Judiciary Committee once again temporarily passed HB 129 by Representative Dennis Baxley (R-Ocala) also known as the "Guns in the Workplace" bill. Several amendments were in the committee packet which would have brought the House version closer in line with its Senate companion. Chairman David Simmons (R-Altamonte Springs) said that he woke this morning at 5:00 a.m. with a new idea on how to get all of the parties together on this bill, but did not elaborate on what his compromise would be. We hope to see new language later this week.

AIF opposes legislation that prohibits businesses from enforcing or maintaining policies that ban guns in the workplace. Employers should be allowed to establish these types of policies and exert their rights as property owners. Maintaining a safe work environment is paramount for the longevity of any employer in Florida.

TAXATION

The "Florida Manufacturing Global Competitiveness Act", SB 1206 by Senator Jeff Atwater (R-North Palm Beach) received unanimous approval by the Senate Commerce and Consumer Services Committee. This bill expands the sales tax exemption from partial to full for machinery and equipment used by expanding facilities engaged in spaceport or manufacturing activities. Currently, this machinery and equipment is exempt from sales tax in excess of 50,000 dollars. It also expands from partial to full sales tax exemption for machinery and equipment used by expanding businesses that manufacture tangible personal property pursuant to federal procurement contract.

Senator Atwater explained that the committee had voted out the same bill last year, but that unfortunately, it did not make the cut when the legislature was negotiating last year's budget.

The manufacturing industry in Florida is at a disadvantage with neighboring states who already grant sales tax exemptions for machinery and equipment used for manufacturing. This legislation will help Florida be competitive and attract more manufacturing firms to the state, thus creating more high skill, high wage jobs.

SB 1206 will now be heard by the Governmental Efficiency Appropriations committee.

Florida's tax code is not only the source of revenue for state government – it is also an important economic development tool. There are times when exempting an item from taxes will bring more money into the state than would be realized if it were taxed. AIF supports a full tax exemption on machinery and equipment used by expanding spaceport and manufacturing facilities.

CONSTITUTIONAL AMENDMENT REFORM

The Senate Committee on Criminal Justice met today to reconsider Senate Bill 1244, An Act Relating to the Petition Process by Senator J.D. Alexander (R-Lake Wales). The bill is an attempt to provide transparency in the signature gathering process. Senate Bill 1244 has several key provisions which provide that: a petition must be submitted to the supervisor of elections within 30 days; signature gatherers may not be paid based upon the number of signatures gathered; paid signature gatherers must wear badges indicating that he or she is a "paid petition circulator" and private property owners may permit or prohibit activity which support or opposes initiatives.

At the Committee's last meeting held on March 8, 2006, this bill received an unfavorable vote, however, a motion was made at that meeting to reconsider the vote. Before the vote could be reconsidered at today's meeting, Senator Jim King (R-Jacksonville) moved to temporarily postpone the bill

The petition gathering process must be regulated in order to ensure that special interests do not break the law to get proposed citizen initiatives on the ballot. AIF supports the provisions in this bill which address the issue of fraud, but is carefully monitoring the progress of this legislation in order to ensure that citizens are not completely shut out of the democratic process.

PRIVATE PROPERTY RIGHTS

The Senate Judiciary Committee heard testimony on SB 2168 Relating to Eminent Domain. The presentations were very short and came from speakers representing landowners, developers and governmental entities. There are some vague references to "public welfare" in the bill as a reason for taking property and the presenters believed that those references could be tightened. All presenters were encouraged to continue working with committee members and staff to develop better language. The bill will likely be brought before the committee again in two weeks. There were no questions or other debate amongst the senators at today's meeting.

While AIF strongly supports efforts to boost economic development throughout the state, these projects should not proceed through the sacrifice of existing businesses. AIF supports legislation to ensure that when local government takes private property through eminent domain there are proper limitations and procedures in place to protect the rights of private property owners.

ENVIRONMENT

The House Environmental Regulations Committee voted to introduce its proposed committee bill, HER2 Relating to Brownfields. It is basically the same language as its Senate companion, SB 1092, by Senator Lee Constantine (R-Altamonte Springs). The bill will increase the amount of credit from 35% to 50% that may be applied against intangible personal property tax and corporate income tax for the voluntary cleanup costs of a contaminated Brownfields or dry-cleaning site, and increases the amount of tax credit that may be granted to a tax credit application per year from \$250,000 to \$500,000.

AIF supports legislation to increase existing tax credit provisions which will create additional incentives for businesses to voluntarily cleanup eligible contaminated sites. Cleaning up Brownfields increases future job opportunities and economic growth for area residents, while at the same time restoring a region's environmental integrity.

UTILITIES AND TELECOMMUNICATIONS

The House Agriculture committee heard HB 777 Relating to Cellular Telephone Solicitation by Representative Ed Homan (R-Temple Terrace). This bill would prohibit a telephone solicitor from making a telephonic sales call to any telephone number assigned to a cellular telephone service or any service where an individual is paying for the call. The only exception would be if both parties have an existing business relationship.

Several members expressed concerns with this piece of legislation and felt that the bill was too far reaching. Mike Fields testified against the bill on behalf of Bank of America. He explained that there is already a Federal "do not call" list for both land and cellular phone lines, which has been working very well for those individuals who do not wish to receive solicitation calls. Currently, charities and political candidates are exempt from this "do not call list." In addition, the committee grappled with the issue that it is virtually impossible for the business community to determine which telephone numbers correspond with land lines and which numbers are cellular lines. Representative Larry Cretul (R-Ocala) pointed out that there currently exists technology which allows calls to traditional land lines to be automatically forwarded to cell phones. Representative Dwight Stansel (D-Live Oak) used himself as an example, noting that he does most of his business from his pick up truck and that he places sales calls from his cell phone to other cell phones. Representative Stansel was concerned that this legislation would affect folks like him.

In the end, Representative Homan reluctantly accepted the committee's recommendation to temporarily pass his bill in order to work with the business community on some of problems with the bill. HB 777's Senate companion, SB 1318, has already passed all its committees of reference and is on the way to the Senate floor for consideration.

AIF is closing monitoring the progress of this legislation to determine its impact on the business community.

OTHER BILLS OF INTEREST:

Environment

The House Environmental Regulations Committee moved to introduce a proposed committee bill, HER4, which would authorize a proposed Constitutional Amendment for consideration by the voters in the 2006 General Election that would create a Department of the Interior and eliminate the Florida Fish and Wildlife Conservation Committee. The new "Department of the Interior" would be headed by an elected Cabinet officer who would have jurisdiction over matters pertaining to fish, wildlife, natural resources, and the scenic beauty of the state. This new concept was created by Representative Mitch Needelman (R-Palm Bay).

If approved by the Legislature and voters, lawmakers would have two years to shape the department. The Commissioner of the Interior would be elected in 2008.

Identity Theft

The Senate Commerce and Consumer Services Committee unanimously passed SB 656 Relating to Consumer Credit Report Information by Senator Durell Peaden (R-Crestview). This "credit freeze" legislation allows a consumer to place a freeze on their credit report to prevent unauthorized access or the grant of credit. The security freeze

prohibits a consumer credit reporting agency from releasing the consumer's credit report or any information contained within the report, without the authorized consent of the consumer.

Senator Ron Klein (D-West Palm) expressed concern regarding an amendment which was adopted that allowed credit bureaus to charge \$10 dollars every time and consumer freezes and unfreezes their credit report. The original bill had an amount of \$5 dollars. It was his opinion that the original amount should remain in order to charge consumers the least amount possible. The bill's sponsor explained that most other states with similar legislation charge around \$10 dollars. The House companion sponsor Representative Sandy Adams (R-Oviedo) further explained that actual identity theft victims would not be required to pay the \$10 fee.

The bill now goes before the Senate Banking and Insurance Committee.

Minimum Wage Act

The Senate Commerce and Consumer Services Committee unanimously passed SB 786 Relating to the State Minimum Wage Act by Senator Tony Hill (R-Jacksonville). You may recall that voters in Florida overwhelmingly approved a constitutional amendment during the 2004 general election which increased the minimum wage in Florida. The amendment also tasks the Agency for Workforce Innovation (AWI) with using the Consumer Price Index to establish what the new minimum wage should be each year.

SB 786 requires each employer currently paying an employee the Florida minimum wage to display a poster in a conspicuous and accessible place at a worksite indicating the applicable wage. The bill requires the AWI to create the required posters in English and in Spanish and make them available to employers on or before December 1st of each year. Under this bill, each poster must contain specific language outlining the restrictions on employers, the rights of employees, and the penalties for non-compliance with Florida's minimum wage law. The bill also provides formatting, font and size requirements for the posters.

Several late filed amendments were adopted during the meeting. Some were technical in nature but two were of some importance. The first changed the language from "worksite" to "establishment" in order to comply with existing federal language. The other pushed back the effective date of implementation to January of 2007.

SB 786 will now be heard by the Senate Judiciary Committee.

Please send your comments or suggestions to us at <u>aif@aif.com</u> or call the Governmental Affairs department at (850)224-7173.

- For more information on all of the important legislative information concerning the business community, go to our "members only" Florida Business Network web site at http://fbnnet.com
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.